

**MINUTES OF SPECIAL MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO**

SEPTEMBER 2, 2003

REGULAR MEETING

The Redevelopment Commission of Greensboro met in regular meeting in the Plaza Level Conference Room, Melvin Municipal Building, Greensboro, North Carolina, on Tuesday, September 2, 2003 at 5:05 p.m. Present were: Vice Chair Joe Wood, Jerry Leimenstoll, Nettie Coad and Scott Lilly. Dan Curry, Caroline Wells, and Dyan Arkin represented the Housing and Community Development Department (HCD). Scott Brannan, Esq., was present as legal counsel for the Commission.

Vice Chair Wood called the meeting to order, introduced himself, and welcomed everyone to the meeting. He asked that anyone who wished to speak to come up to the microphone, identify themselves, and give their address.

APPROVAL OF THE MINUTES OF THE MEETINGS OF JUNE 17, JUNE 24 AND JULY 15, 2003.

Mr. Leimenstoll moved approval of the June 17, 2003 minutes as written, seconded by Ms. Coad. The Commission voted 4-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll, Lilly. Nays: None.)

Mr. Leimenstoll moved approval of the June 24, 2003 minutes as written, seconded by Ms. Coad. The Commission voted 4-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll, Lilly. Nays: None.)

Mr. Leimenstoll moved approval of the July 15, 2003 minutes as written, seconded by Ms. Coad. The Commission voted 4-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll, Lilly. Nays: None.)

WILLOW OAKS - ACQUISITION OF 714-720 GILLESPIE STREET.

Dyan Arkin, HOPE VI Coordinator, said that the Commission last considered this item at its June 17, 2003 meeting. The Commission approved \$39,000 for the properties at 714-720 Gillespie Street, owned by Avis Hall. A counteroffer appraisal was submitted in the amount of \$50,200. The Commission rejected the counteroffer because the reviewer noted that the appraisal lacked one of the three approaches (and thereby was not complete) and used other Redevelopment Commission properties for comparables (a valid appraisal requires arms-length transactions for comparables). Ms. Hall has

separately sent a letter to the Commission requesting \$47,500. At the June 17th meeting, the Commission tabled the item and asked that the review appraiser and the counteroffer appraiser discuss the issue and bring the results of that discussion before the Commission. The review appraiser met with the counteroffer appraiser and gave him the information directly as to what was missing in the counteroffer appraisal.

Ms. Wells said she met with Mr. Hall today. After the review appraiser and counteroffer appraiser met last week, Mr. Messick (the counteroffer appraiser) actually rectified the format of the appraisal and a new appraiser was delivered to her just prior to this meeting. That new counter appraisal has to be reviewed by the review appraiser (Mr. Herbert) before it can be presented to the Commission.

Ms. Wells said there were three issues with the first counteroffer appraisal that were to be rectified. Two of the issues were resolved in the new counteroffer appraisal, but the income approach was not set forth, which is a requirement. However, the 100 days for the property owned to submit a counteroffer appraisal to the Commission expires today.

Counsel Brannan said he had filed a complaint for the condemnation of this property sometime ago. The 120 days expired sometime ago and he moved for an entry of default, which was granted. He had moved for a default judgment, which he calendared for this week. He attended the calendar call this morning, at which time the judge set it on for hearing on Thursday (September 4) at 2:00 p.m.

Counsel Brannan advised that what would happen if a default judgment were granted, that will then take care of everything and will determine the amount of compensation and it will determine the vesting of title and that will end the action or lawsuit. When the complaint is filed, the defendant has a certain length of time within which to answer that complaint. If you do not answer within that time, you are subject to default. Most civil actions are 30 days. The Redevelopment Commission's condemnation actions are 120 days from the date of service. Some condemnors, rural electric companies for example, go a different route and they only get 20 days.

Counsel Brannan said the City and County responded, he filed a motion for default judgment and it is set to be heard this week.

Charles Hall, 410 East McCullough Street, said he was Ms. Hall's son. His mother owns the property in question. They have now made a counteroffer of \$47,000. His mother's appraiser, after talking to the City's appraiser, came back and reappraised the property from \$50,000 up to \$53,000. On the counter appraisal, he had asked if the Redevelopment Commission would consider giving them \$47,000, which was \$7,000 less than what he had asked for and roughly \$8,000 more than what the Commission's appraiser had appraised the property. He felt this would have been a fair value, less than what they had asked, but would basically split the difference in half. The lot is 152 by 135 or a little over 19,000 square feet.

Ms. Arkin said this was one single tax parcel, one single lot with two structures on it. The structures are very close together and look like at one time there might have been three structures on the lot. Since it is zoned for multifamily, conceivable there were three very small houses on it at one time. Ms. Arkin said the structures contained about 775 square feet each.

Mr. Hall said all the structures were basically the same size. They each had 5 rooms, 2 bedrooms, living room, dining room, and kitchen. The City tore one down in the late 1980s. He corrected the size of the lot, stating it had 21,060 square feet.

Vice Chair Wood asked Counsel Brannan if he could ask for a continuance on Thursday for 30 days?

Counsel Brannan said it was possible that he could ask the judge to move it off the calendar.

Vice Chair Wood moved that the Commission address this matter at the September 16 meeting after Mr. Herbert, the review appraiser, has had the opportunity to look at the counter appraisal and see if it is technically correct; however, this is still dependent on the attorneys getting this postponed in court on September 4. If the judge does not agree to the continuance, then the Commission will abide by the judge's decision.

The motion made by Vice Chair Wood died for lack of a second.

Thereupon, Vice Chair moved that the Commission instruct its attorney to see if the judge in the condemnation proceeding would continue the matter in order that the Commission receives a correct counter appraisal. If this continuance is granted, the Commission will act one way or the other on September 16; if the counter appraisal has not been corrected to meet its specifications, the Commission would the ask its attorneys to put the matter back on the docket for judgment; seconded by Ms. Coad. The Commission voted 4-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll, Lilly. Nays: None.)

ARLINGTON PARK - APPROVAL OF DISPOSITION PRICE AND MARKETING PLAN FOR 1700 MARTIN LUTHER KING, JR. DRIVE.

Mr. Curry said each Commissioner had been furnished with a copy of the sale sheet and contract for the disposition of 1700 Martin Luther King, Jr. Drive. He said the Commission had previously done a couple of things with regard to this property. It had approved the rezoning of the site to allow office use of this house; it has authorized staff to go forward with \$130,000 in exterior renovation work and interior structural improvements, and that work is currently underway. Staff is asking the Commission to consider setting a minimum bid price of \$25,000 for the property and that is with all the work completed that is currently being undertaken on the house. When that work is

finished, the exterior of the original portion is going to look fairly complete.

In response to a question from Ms. Coad, Mr. Curry said the Commission originally bought this house in 1992 for \$52,000 and \$130,000 is being put into the renovation and stabilization of the house. He said this house still is going to need of quite a bit of work. All the interior work still needs to be done. There will be bare stud walls on the inside, no systems, no wall finishes, it will just be a gutted interior still. There will be no plumbing, mechanical, electrical - nothing is in the house except the four walls. An addition will need to be constructed on the rear because the addition had to be torn down because it was too deteriorated. The purchaser will have to provide their plan for finishing this project. That plan will have to meet the City's rehab standards, as well as the historic preservation guidelines. However, a specific plan is not being specified by the City for the house. The way he came up with the price was by estimating how much he thought someone would end up spending. They came up with something in the neighborhood of \$150,000. He had an appraisal done of the property by an independent commercial appraiser, and they appraised the finished product in a range of \$180,000 to \$210,000. He took the low end of that range, subtracted out the amount of money that he thinks it would take someone to finish the job and what is left is the equity in the house that staff believes can be recaptured. When the City is through with its work, the outside of the house will look like it is finished, but it will be empty on the inside.

Vice Chair Wood moved that the Commission put the subject property on the market at a minimum of \$35,000 and start the bidding there.

Mr. Curry added that the appraisal was based on adding 900 square feet of additional space, and this was probably about \$80 per square foot. He also said that any bid would be subject to an upset bid.

Vice Chair's motion died for lack of a second.

Ms. Coad moved that the Commission accept staff's recommendation that the bid price of this house start at \$25,000, seconded by Mr. Wood. The Commission voted 4-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll, Lilly. Nays: None.)

PHILLIPS-LOMBARDY - REQUEST BY UNCG PROJECT GREENLEAF TO RENEW LEASE ON LAND FOR ANOTHER YEAR.

Susan Andreatta, representing UNCG, gave an update on this program. She said that NC A&T State University had plowed the field for them. They then gave out seed packets and tools. In May, they had a good turnout for seeds and plants. It had been an unusual exchange in seeing how the Montagnards farmed. They had learned a lot from these people, most of whom were the elders who came out each Tuesday. She said those farming the land had sold their produce at the farmers' markets. People have seen the article in the *News & Record* and have been asking about the weedings and

produce. She also said there was a variety of income enhancement and community exchange in the program. She said she also would like to know if there is any other land available, should any of the grants for which they have applied come through. UNCG would like to do this with another community and reach out to any of the eastern Europeans or any of the Hispanic groups. This has been a real success. They are providing transportation for the Montagnards. It would be nice if land could be found in their communities so they would not need the transportation. She said they needed to get other communities to see that this is a possibility to grow. They would be interested in working elsewhere to make it work again.

Ms. Andreatta said they are now requesting the use of this land for another year.

Vice Chair Wood said he knew that this had been a very successful program and congratulated UNCG on its sponsorship.

Ms. Coad moved that the Redevelopment Commission renew the lease with UNCG and Project Greenleaf for the use of the subject land for another year, seconded by Mr. Lilly.

The Commission voted 4-0 in favor of the motion. (Ayes: Wood, Coad, Leimenstoll, Lilly. Nays: None.)

WILLOW OAKS - UPDATE ON DISPOSITION AGREEMENT SCHEDULE AND CONDEMNATIONS.

Ms. Wells said they would skip this item.

GORRELL STREET - UPDATE ON GATE CITY COMMUNITY DEVELOPMENT CORPORATION PROPERTIES.

Ms. Wells said that staff has learned that Gate City CDC will be undergoing changes in the coming months. Staff will update the Commission and discuss how that will affect construction in the Gorrell Street area. She said eventually these properties would be developed, although that development may not be by Gate City. Ms. Wells said that staff is requesting that the Commission take no action on this item at this time.

ITEMS FROM COMMISSIONERS

Mr. Lilly said he would like to have discussed the condemnation procedures. He asked if it was correct that when the Commission sends something for condemnation, they "pull the pin on the grenade."

Counsel Brannan said there was nothing to keep the Commission from settling a case,

even if it were in condemnation. Ninety percent of the cases on which condemnation is begun are settled and not tried.

SPEAKERS FROM THE AUDIENCE

Mary E. Black, a speaker from the audience, said condemnation was not what she had thought it to be.

Ms. Wells explained that there were two types of condemnation. One is if the structure is not up to code, and one is if it for a redevelopment project, and they are completely different things.

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There being no further business before the Commission, the meeting was adjourned at 6:07 p.m.

Respectfully submitted,

Caroline Wells, Assistant Secretary
Greensboro Redevelopment Commission

CW/jd.ps